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BLANCHARD, WALKER, O'QUIN & ROBERTS
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January 25, 2006

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

WM. TIMOTHY ALLEN, III

Direct: 318.934.0217

Email: tallen@bwor.com

Re: HEARING APPLICATION
Hosston Formation, Reservoir A
Cotton Valley Formation, Reservoir A
Holly Field
DeSoto Parish, Louisiana
Our File No. 370306.0071

Dear Sir:

On behalf of PINNACLE OPERATING COMPANY, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Hosston Formation, Reservoir A and the Cotton Valley Formation, Reservoir A, in the Holly Field, DeSoto Parish, Louisiana:

1. To create one (1) additional drilling and production unit (to be designated as HOSS RA SU48), as shown on the plat attached hereto, for the exploration for and production of gas and condensate from the Hosston Formation, Reservoir A, in the Holly Field, DeSoto Parish, Louisiana;
2. To create one (1) additional drilling and production unit (to be designated as CV RA SUNN), as shown on the plat attached hereto, for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, in the Holly Field, DeSoto Parish, Louisiana;
3. To force pool and integrate all separately owned tracts, mineral leases, and other property interests within the proposed units, with allocation of production from the unit well to the tracts within the unit to be on the basis of surface acreage;
4. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

Conservation Commissioner
January 25, 2006
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The Hosston Formation, Reservoir A, in the Holly Field, DeSoto Parish, Louisiana, was fully defined in Office of Conservation Order No. 88-D, effective February 1, 1975.

The Cotton Valley Formation, Reservoir A, in the Holly Field Field, DeSoto Parish, Louisiana, was fully defined in Office of Conservation Order No. 88-E , August 1, 1975.

By Pre-Application Notice dated January 13, 2006, applicant advised the Commissioner of Conservation, the District Manager and all Interested Owners, Represented Parties and Interested Parties of applicant's intention to apply for the hearing which is the subject of this application. Applicant received no request for a Pre-Application Conference, and accordingly, no conference will be held.

Pertinent data concerning the intended application will be made available for inspection at the offices of the undersigned. Any person wishing to inspect such data should call the undersigned at (318) 221-6858 during normal business hours or write the undersigned at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plats, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

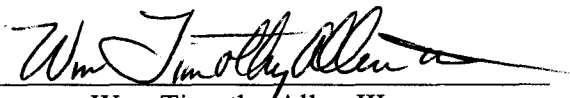
A check in the amount of \$1,510.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

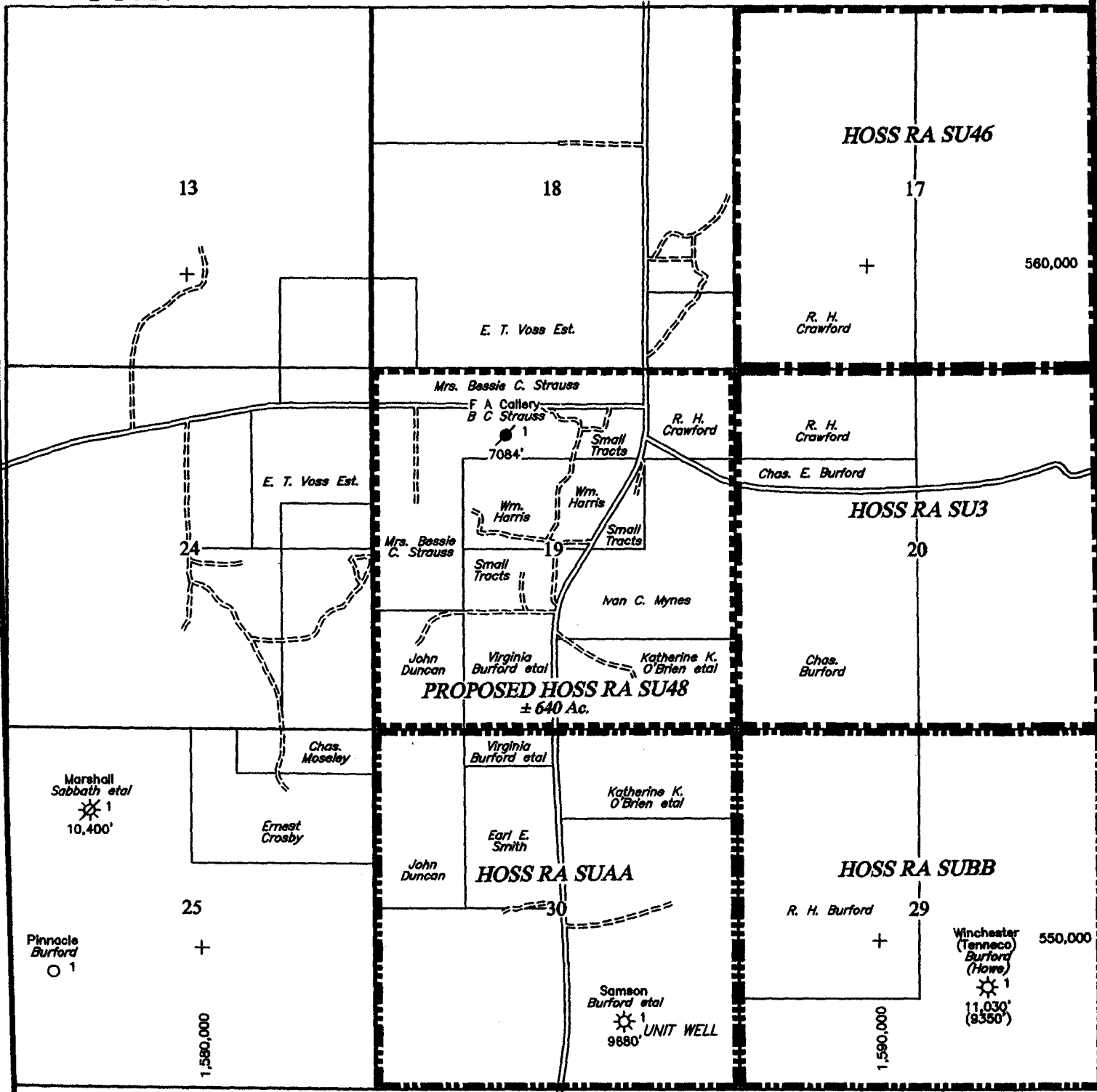
WTAIII/kml
Enclosures



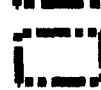
By: 
Wm. Timothy Allen III
Attorneys for Pinnacle Operating Company, Inc.

cc: Mr. James C. Broussard, Shreveport District Manager,
Office of Conservation (w/enclosures)
Interested Owners, Represented Parties
and Interested Parties (w/copy of plats only)

T 14 N - R 15 W

T 14 N - R 14 W



-  PROPOSED HOSS RA SU48 HOLLY FIELD
-  EXISTING HOSS RA SU's HOLLY FIELD
-  EXISTING HOSS RA SU's BETHANY LONGSTREET FIELD

PINNACLE OPERATING COMPANY, INC.
SHREVEPORT, LOUISIANA

HOLLY FIELD
DeSOTO PARISH, LOUISIANA
UNIT PLAT
PROPOSED HOSS RA SU48



T 14 N - R 14 W



HOLLY FIELD
DeSOTO PARISH, LOUISIANA
UNIT PLAT
PROPOSED CV RA SUNN

